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CONTINUATION OF THE RESOURCE CONSERVATION AND DEVELOPMENT PROGR--ETC(U)
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BY THE COMPTROLLER GENERAL
**Report To The Chairmen
House And Senate Committees
On Appropriations**
OF THE UNITED STATES

① LEVEL II

**Continuation Of The Resource
Conservation And Development
Program Raises Questions.**

The Resource Conservation and Development Program is a rural development program initiated in the early 1960's to improve the conservation and use of natural resources and the economic well-being of local communities. GAO found that program objectives have broadened and are virtually open ended, and program benefits and costs are difficult to pin down.

The program's continuation involves policy judgments the Congress will have to make. If the Congress decides that the program is to continue, GAO recommends that it discontinue the use of program funds for financing the installation of project measures, provide for deauthorization of inactive or self-sufficient projects, and test alternative delivery systems.

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-203482

The Honorable Jamie L. Whitten
Chairman, Committee on Appropriations
House of Representatives

The Honorable Mark O. Hatfield
Chairman, Committee on Appropriations
United States Senate

This report discusses our review of the Department of Agriculture's Resource Conservation and Development Program. It also discusses administrative and legislative changes needed to improve the control and operation of the program. We made this review in accordance with the House of Representatives Conference Report No. 96-553 (Oct. 24, 1979) on agriculture, rural development, and related agencies appropriations for fiscal year 1980.

As arranged with your offices, we plan to distribute copies of the report to the Director, Office of Management and Budget; the Secretary of Agriculture; and other interested parties; and make copies available to others upon request.

Milton J. Arnold

Acting Comptroller General
of the United States

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COMPTROLLER GENERAL'S
REPORT TO THE HOUSE AND SENATE
COMMITTEES ON APPROPRIATIONS

CONTINUATION OF THE RESOURCE
CONSERVATION AND DEVELOPMENT
PROGRAM RAISES QUESTIONS

D I G E S T

The Resource Conservation and Development Program grew out of amendments to the Bankhead-Jones Farm Tenant Act made by the Food and Agriculture Act of 1962. Although the program is based in statute, its details and operations were worked out administratively by the Department of Agriculture.

The program, administered by the Department's Soil Conservation Service, has received annual appropriations averaging \$30 million for the last 5 years. It had received cumulative appropriations of about \$293 million as of September 1980.

House Conference Report No. 96-553 of October 1979 on Agriculture's fiscal year 1980 appropriations called for GAO to review the program, taking into account its costs and benefits.

GAO made its review in 17 States. It visited 32 of the 194 authorized project areas as well as Soil Conservation Service headquarters in Washington, D.C., and three of the Service's technical service centers. (See pp. 1 to 3.)

PROGRAM EVOLUTION AND OBJECTIVES

Program objectives have broadened from an initial focus on land conservation and utilization to virtually any kind of measure that could improve the quality of life for residents of a project area. Although many measures GAO reviewed dealt with soil and water conservation, others ranged from such things as making food dishes for a dog pound and building a gun rack for a sheriff's office to developing a multimillion dollar marina and making a feasibility study for a dairy business. While each of the measures GAO reviewed seemed to fall within the program's current scope and structure, the gradual expansion of program objectives which allows involvement in such a variety of measures raises a concern about program control. (See pp. 4 to 7.)

PROGRAM BENEFITS AND COSTS
ARE DIFFICULT TO PIN DOWN

GAO was unable to develop a clear picture or measure of overall benefits under the program because its accomplishments are not clearly distinguishable at either the project or measure level. The principal problems involved lack of useful data, the intangible nature of some benefits, and varying or unknown degrees of project involvement. (See pp. 8 to 14.)

GAO was able to obtain cost information on the program overall and on each project but not on individual project measures. Pertinent technical assistance costs were not shown for individual measures. The omission of technical assistance costs in reporting completed measures seriously limits any attempt to evaluate the program's benefits in relation to its costs. The program's completion reporting process understates the measures' costs, and the reliability of the information system as a whole is questionable. Also, without good cost information for management control purposes, no one really knows where, or how effectively, technical assistance funds are being spent. (See pp. 14 and 15.)

Although benefits have undoubtedly been realized, GAO was not able to translate them into numbers and make traditional cost/benefit analyses of the program's worth. (See pp. 8 and 17.)

Some Agriculture studies have attempted to establish the value of the program in relation to its cost, but their results were inconclusive because of problems with the information that was available. (See pp. 15 to 17.)

PROGRAM CHANGES SHOULD BE CONSIDERED

If the Congress decides that the program is to continue, GAO believes that certain changes should be considered.

--Discontinue the use of program funds for financing the installation of project measures. Funds appropriated for cost-sharing with local sponsors under the program have been used to finance many measures for which other Federal programs have been established. The use of program funds for installing such measures seems unwarranted when other Federal programs

exist to provide financial assistance for similar purposes. (See pp. 19 to 21.)

- Provide for systematic deauthorization of project areas. Once projects are authorized, they remain on the rolls indefinitely. Some projects are not active, exist in name only, and may not even maintain a staff office. Periodic reviews of project performance and the deauthorization of projects where appropriate could result in a more effective use of Federal program resources. (See pp. 21 and 22.)
- Test the viability of transferring coordinating functions to sub-State planning organizations. Federally assisted sub-State planning organizations have the potential to become an alternative delivery system for activities carried out under the program because they perform many of the same functions. Some constraints exist where areas do not have active sub-State organizations or for other reasons. This concept should be tested through the establishment of several pilot projects where sub-State organizations would take on project functions. (See pp. 22 and 23.)

NEED TO UPDATE PLANS AND IMPROVE PROJECT MANAGEMENT EVALUATION PROCESS

Some projects' area plans which specify goals and objectives and measures to be undertaken have not been updated as required by program procedures. This seems an essential and necessary requirement if the area plans are to be useful tools for project decisionmakers. In addition, the project management process lacks a key element in its design by not having a system for evaluating project performance in meeting program goals and objectives. (See pp. 26 and 27.)

RECOMMENDATIONS TO THE CONGRESS

The continued funding and authorization of the program involve policy judgments the Congress will have to make. However, if the program is to continue, in whole or in part, GAO recommends that the Congress:

- Discontinue the use of program funds for installing project measures currently authorized for financing under cost-sharing arrangements.

- Require the Secretary of Agriculture to establish procedures for periodically reviewing project operations and deauthorizing projects which no longer are active or have developed the capabilities necessary to continue operating without Federal involvement.
- Direct the Secretary of Agriculture to establish several pilot projects where sub-State organizations would assume project functions. Upon completion of such tests, the Secretary should be required to provide the Congress an evaluation of the test results with such recommendations as may be indicated for transferring additional project functions to sub-State organizations or the reasons for retaining the functions within the existing program structure. (See p. 24.)

RECOMMENDATIONS TO THE SECRETARY OF AGRICULTURE

On the basis of a continuing program, GAO recommends that the Secretary require the Soil Conservation Service to:

- Account for and identify the costs of providing technical assistance for each project measure.
- Improve its program information system to provide data which would permit better assessment of project benefits.
- Monitor the program more closely to assure that projects' area plans are up to date and reflect any changed conditions in project circumstances.
- Develop and incorporate an approved evaluation procedure into the program's management process. (See pp. 18 and 28.)

AGENCY COMMENTS

The Department did not comment on GAO's recommendations relating to monitoring the program more closely and developing and incorporating an approved evaluation procedure into the program's management process.

The Department generally agreed with all but one of GAO's other recommendations and outlined the actions it is taking or plans to take. (See

app. V.) It did not agree with GAO's recommendation that the Congress eliminate program cost-sharing.

The Department said that financial assistance is based on a determination that comparable assistance for proposed work is not reasonably available under other Federal programs. However, the projects GAO visited did not always seek assistance from other sources or sometimes used the program's financial assistance as an "easy way out" to avoid the requirements or priorities of other Federal funding sources. Similar kinds of activities being carried out at the projects were being funded on both a cost-shared and non-cost-shared basis. Moreover, an Agriculture official provided information during the 1980 Senate appropriations hearings showing alternate sources of financial assistance for program measures and used the presence of such alternate sources as part of Agriculture's justification for phasing out the program.

The Department also said that GAO's proposed elimination of cost-sharing appeared to be based on a relatively small number of cases. Although GAO cites only a few examples of measures in its report, its work included a review of 359 measures selected to provide a good cross section of projects' activities.

The Department's comments and GAO's evaluations of them are discussed on pages 18 and 24, and the comments are included in their entirety as appendix V.

C o n t e n t s

		<u>Page</u>
DIGEST		i
CHAPTER		
1	INTRODUCTION	1
	Objectives, scope, and methodology	2
2	EVOLUTION OF THE RC&D PROGRAM AND ITS OBJECTIVES	4
	Program objectives have broadened	4
	Current program objectives allow a broad range of measures	6
3	PROGRAM BENEFITS AND COSTS ARE DIFFICULT TO PIN DOWN	8
	Problems in measuring benefits	8
	Accurate program costs are not available for project measures	14
	Other efforts at evaluating the program point out the need for better data	15
	Conclusions	17
	Recommendations to the Secretary of Agriculture	18
	Agency comments and our evaluation	18
4	PROGRAM CHANGES SHOULD BE CONSIDERED	19
	Use of program funds for financing the installation of project measures should be discontinued	19
	Provisions should be made for systematic deauthorization of projects	21
	Potential for sub-State planning organizations to assume role of RC&D projects should be studied further	22
	Conclusions	23
	Recommendations to the Congress	24
	Agency comments and our evaluation	24
5	NEED TO UPDATE PLANS AND IMPROVE PROJECT MANAGEMENT EVALUATION PROCESS	26
	Some plans are not up to date	26
	Evaluation procedures are not included in project management process	27
	Conclusions	27
	Recommendations to the Secretary of Agriculture	28

		<u>Page</u>
APPENDIX		
I	RC&D projects visited and cumulative funds they had received as of September 1980	29
II	Measures GAO reviewed at the 32 projects	30
III	GAO's suggested revisions to the Bankhead-Jones Farm Tenant Act, as amended	32
IV	GAO's suggested revisions to the Soil Conservation and Domestic Allotment Act of 1935, as amended	34
V	Letter dated June 19, 1981, from the Assistant Secretary for Natural Resources and Environment, Department of Agriculture	35

ABBREVIATIONS

GAO	General Accounting Office
RC&D	Resource Conservation and Development
SCS	Soil Conservation Service
USDA	U.S. Department of Agriculture

CHAPTER 1

INTRODUCTION

The Resource Conservation and Development (RC&D) program grew out of amendments to the Bankhead-Jones Farm Tenant Act made by the Food and Agriculture Act of 1962 and earlier legislation dealing with land and soil conservation. Although the program is based in statute, its details and operations were worked out administratively by the U.S. Department of Agriculture (USDA). Chapter 2 contains a more detailed discussion of the program's evolution.

USDA's Soil Conservation Service (SCS) administers the program nationally through its headquarters and field offices. Local operations are carried out through specifically authorized projects which are locally initiated, sponsored, and directed entities operating within designated multicounty areas. According to SCS, the average RC&D area has 17 sponsors, including 6 county governments, 7 soil and water conservation districts, 2 cities, and 2 others. Two types of local organizations--counties and soil conservation districts--have been the primary sponsors of projects.

RC&D councils, comprised of representatives designated by each sponsor, meet periodically to conduct project business. They decide what to include in area plans, set funding priorities, and direct overall coordination. SCS employees are designated as RC&D coordinators. The coordinators are SCS' representatives to the councils and are to provide leadership in helping councils organize for planning, plan and schedule activities, and follow up to keep activities on schedule.

Proposed endeavors adopted by a council as contributing to accomplishing project goals and objectives are called RC&D measures and are classified as either cost-shared or associated measures. The installation of a cost-shared measure is partially funded from RC&D funds and partially by local sponsors; the installation of an associated measure is funded solely from non-RC&D sources. SCS provides two types of assistance to the projects--financial and technical. Financial assistance involves SCS paying a designated share of the costs of eligible RC&D measures. These measures can include works involving critical area treatment (soil erosion control), flood prevention, farm irrigation, land drainage, public water-based fish and wildlife development, water quality management, agriculture-related pollutant control, and public water-based recreation development.

In the context of the RC&D program, technical assistance includes a project coordinator's staff assistance for such things as administration, coordination, and planning; identifying sources of funds; and preparing fund applications. It also includes professional/expert assistance provided by other USDA organizations on such things as forestry and land treatment. Both cost-shared and associated measures are eligible for technical

assistance but, by definition, the cost of carrying out an associated measure is financed from non-RC&D sources. Non-RC&D sources include other Federal programs as well as State and local governments and private sources.

A third type of assistance is available in the form of loans from USDA's Farmers Home Administration. RC&D funds provide for loan service costs, but the loan funds come directly from Farmers Home Administration appropriations. The loans are typically low-interest loans, and sponsors use them to supplement the local matching funds required for some measures.

As of January 1981 the Secretary of Agriculture had authorized 194 project areas, and an additional 49 potential project areas had applications pending. The authorized projects are located in every State except Alaska. According to USDA, RC&D projects had completed about 15,000 measures and received cumulative appropriations of about \$293 million as of September 1980. For fiscal years 1976-80, the Congress appropriated an average of \$30 million annually for the program. As the following table shows, the amounts the Congress appropriated for each of these years exceeded the amounts requested in Presidential budgets.

<u>Fiscal year</u>	<u>Requested in budget</u>	<u>Appropriated by the Congress</u>
1976	\$25,012,000	\$29,972,000
1977	21,488,000	29,972,000
1978	23,283,000	31,033,000
1979	6,797,000	25,000,000
1980	2,943,000	32,000,000

OBJECTIVES, SCOPE, AND METHODOLOGY

House of Representatives Conference Report No. 96-553 dated October 24, 1979, on agriculture, rural development, and related agencies appropriations for fiscal year 1980 called for us to review the RC&D program, taking into account its costs and benefits.

In subsequent discussions with staffs of the Senate and House appropriations subcommittees, it was agreed that we would direct our review toward (1) describing how the program has evolved into its current form, (2) discussing the kinds of activities the projects have carried out, (3) describing program accomplishments, (4) assessing whether other groups and organizations perform or have the ability to perform the same kinds of activities, and (5) highlighting matters that we believe the Congress should consider. In addition, we sought to identify and describe the project planning process.

We conducted our review at SCS headquarters in Washington, D.C.; 32 authorized RC&D project areas in 17 States; and 3 of SCS' technical service centers. The projects we visited are listed in appendix I. The States in which these projects are located were selected judgmentally to provide broad geographic coverage. The projects were selected randomly, except in Iowa and Minnesota, where we visited a total of seven projects during the planning phase of the review, and in Delaware, Maryland, and Virginia, which each had only one active project.

At SCS headquarters we reviewed the program's legislative history and statutory authority, interviewed program managers and technical staff, secured available financial data, and obtained past studies and reports on the program. At the States and projects, we reviewed project records and documents, interviewed other SCS officials and project coordinators, and discussed the program with project sponsors and RC&D councils. We also met with staffs from sub-State planning agencies, talked with local residents involved with the program, and interviewed other State and Federal officials responsible for programs providing financial and technical assistance to rural communities.

At the projects we visited, we selected 359 of the 2,836 completed measures to review and obtained whatever information was available on the benefits and accomplishments that have resulted from these activities, their costs, and what role and involvement RC&D had in them. We used judgment in selecting measures to review to assure a good cross section of project activities, both large and small, from the various measure categories. The wide variety of measures and the types of information we were seeking ruled against trying statistical sampling methods or projecting results. The lack of meaningful records and data describing project activities, accomplishments, and costs, and other uncertainties discussed in the report precluded us from making traditional benefit/cost analyses of project measures, the projects, or the program.

CHAPTER 2

EVOLUTION OF THE RC&D PROGRAM AND ITS OBJECTIVES

The RC&D program was among several USDA rural development efforts initiated in the early 1960's. Its objectives broadened from an initial focus on land conservation and utilization to virtually any kind of measure that could improve the quality of life for residents of a project area. Although many measures we reviewed dealt with soil and water conservation, others ranged from such things as making food dishes for a dog pound and building a gun rack for a sheriff's office to developing a multimillion dollar marina and making a feasibility study for a dairy business. While each of the measures we reviewed seemed to fall within the program's current scope and structure, the gradual expansion of program objectives, which allows RC&D involvement in such a variety of measures, raises a concern about program control. In subsequent chapters we are recommending administrative and legislative changes to improve program control and operation.

PROGRAM OBJECTIVES HAVE BROADENED

USDA established the program under authority of title III of the Bankhead-Jones Farm Tenant Act, as amended. Section 31 of title III of that act directs the Secretary of Agriculture

"* * *to develop a program of land conservation and land utilization in order thereby to correct maladjustments in land use, and thus to assist in controlling soil erosion, reforestation, preserving natural resources, protecting fish and wildlife, developing and protecting recreational facilities, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare, but not to build industrial parks or establish private industrial or commercial enterprises."

The current RC&D program evolved from the Soil Conservation and Domestic Allotment Act of 1935 (49 Stat. 162, Apr. 27, 1935, 16 U.S.C. 590a et seq.) and title III (entitled "Retirement of Submarginal Land") of the Bankhead-Jones Farm Tenant Act (50 Stat. 525, July 22, 1937). The 1935 Soil Conservation Act established the Soil Conservation Service to handle national soil and water conservation development and management problems and to provide assistance to farmers. Sections 31 and 32 of title III of the Bankhead-Jones Act (7 U.S.C. 1010 and 1011) authorized the Secretary to develop a program of land conservation and land utilization for the various purposes listed in section 31. According to Senate Report No. 87-1787 (July 25, 1962) accompanying the bill that was ultimately enacted as the Food and Agriculture Act of 1962, this authority was limited to programs dealing with submarginal lands.

The RC&D program has its modern origins in section 102 of the Food and Agriculture Act of 1962 (Public Law 87-703, 76 Stat. 607, Sept. 27, 1962) which amended sections 31 and 32 of the Bankhead-Jones Act. Section 102 amended section 31 to delete a reference to the retirement of submarginal lands and to include a limitation on program purposes to exclude assistance "to build industrial parks or establish private industrial or commercial enterprises." Section 102 also amended section 32(e) to authorize the Secretary

"* * *to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to assist in carrying out such plans by means of loans to State and local public agencies designated by the State legislature or the Governor, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities."

Subsequent amendments to the Bankhead-Jones Farm Tenant Act have, according to USDA, provided a basis for broadening the program's scope:

- Public Law 89-796, 80 Stat. 1478, November 8, 1966, added "developing and protecting recreational facilities" as a program objective.
- Public Law 91-343, 84 Stat. 439, July 18, 1970, authorized the Secretary of Agriculture to bear an equitable portion of the costs (cost-sharing) of public water-based fish and wildlife or recreational projects.
- Public Law 92-419, 86 Stat. 669, August 30, 1972, authorized Federal technical and financial assistance for (1) water storage and water quality management, (2) control and abatement of agriculture-related pollution, (3) disposal of solid wastes, and (4) rural fire protection.
- Public Law 95-113, 91 Stat. 1021-22, September 29, 1977, increased the limits on loans needing the House and Senate Agriculture Committees' approval from \$250,000 to \$500,000 and authorized loans and other assistance for agricultural purposes.

The first USDA policy statement on RC&D, issued in November 1962, defined an RC&D project as a locally initiated and sponsored project designed to carry out a program of land conservation and utilization in an area where acceleration of the current conservation activities plus the use of the new authorities in the 1962 act would provide additional economic opportunities to its people. USDA's second policy statement on RC&D was issued in October 1969;

it is still in effect. According to USDA, the program thrust was broadened because USDA merged the Farmers Home Administration's Rural Renewal Program with the RC&D program. Leadership for the RC&D program remained with SCS.

Although the program's objectives were nearly identical to those declared in 1962, the policy and definition statements of 1969 broadened its scope. Initially, projects were to be located where economic growth could be stimulated through accelerated land conservation and utilization efforts. According to USDA, the current policy statement does not so limit the program. It indicates that RC&D applies to areas needing improved economic activity, reduced chronic unemployment or underemployment, and enhancement of the environment and standard of living as well as natural resource development.

The current program's three major objectives are to

- orderly develop, improve, conserve, and use the project area's natural resources, thereby providing employment and other economic opportunities to the area's people;
- provide local leadership the opportunity to more fully coordinate and use the facilities and techniques available under current agricultural programs, including those made available by Public Law 87-703, and any applicable new programs that may be instituted to aid in planning and carrying out a balanced program of development and conservation of natural resources to meet local, State, and national needs; and
- orderly extend this program, where needed, project by project as local leadership is able to effectively plan and carry out the activities necessary to achieve program goals.

CURRENT PROGRAM OBJECTIVES ALLOW
A BROAD RANGE OF MEASURES

The RC&D program initially focused on more limited activities of a land conservation and utilization nature. However, through subsequent amendments to its basic legislative authority and USDA's resultant administrative implementation of the expanded objectives, the program has evolved to the point that it resembles, in essence, a rural development program to promote economic activities, employment opportunities, and improved standards of living rather than one strictly concerned with land conservation and utilization. These changes in program direction have led to project involvement in a wide range of measures.

Program officials and local supporters tend to view the program's broad objectives as a strength because they allow RC&D projects the flexibility to become involved in activities which they believe meet the areas' needs. The RC&D program has

provided both cost-shared and associated assistance which has led to such diverse measures as

- developing a multimillion dollar marina for boat recreation,
- preparing a guide book for canoeists,
- constructing an indoor-outdoor swimming pool for community use,
- preparing a feasibility study for a dairy business,
- purchasing videotape equipment for production of public information on conservation matters,
- studying the effects of railroad abandonment,
- building a gun rack for a sheriff's office,
- producing food dishes for a dog pound,
- purchasing a new fire truck for a community,
- completing a rodeo arena for shows and exhibitions,
- constructing a replica of an 1836 fort for historical interest, and
- purchasing playground equipment for recreation.

Each of the above activities seems to fall within the program's current scope and structure. However, the broad program objectives which allow RC&D involvement in such a variety of measures also raise a concern about program control.

In subsequent chapters we recommend administrative and legislative changes to improve RC&D program control and operation.

CHAPTER 3

PROGRAM BENEFITS AND COSTS ARE DIFFICULT TO PIN DOWN

We were unable to develop a clear picture or measure of overall benefits under the RC&D program because we could not clearly distinguish and assess RC&D accomplishments at either the project or measure level. Also, we were unable to determine the total costs of individual project measures. The principal problems involved lack of useful data, the intangible nature of some benefits, and varying or unknown degrees of RC&D involvement.

PROBLEMS IN MEASURING BENEFITS

A large variety of RC&D measures have been completed in the 32 project areas we visited. The benefits claimed from about 2,800 measures completed in these project areas can generally be described as

- reduced soil erosion;
- reduced sedimentation in lakes and streams;
- reduced flood damages;
- increased agricultural production;
- increased recreational opportunities;
- more fish and wildlife facilities;
- improved water supplies;
- improved roads;
- increased industrial development;
- establishment of senior citizen centers, libraries, and other public facilities or services; and
- completion of various special studies and inventories.

Although benefits have undoubtedly been realized, we were unable to translate them into numbers and make traditional cost/benefit analyses of the program's worth. The principal problems we encountered in assessing program benefits are discussed in the following sections.

Many project activities benefited project area residents and communities but their actual impacts were not measurable

Much of the assistance and involvement provided by RC&D program activities at the project level have produced benefits to

project areas and their residents. Although we confirmed the existence of benefits in some cases by physical observation and discussions with knowledgeable individuals, project records often did not show enough specific data on the benefits to enable their quantification and valuation.

The specific aims of RC&D projects vary. In one project area, the emphasis may be on improving recreation facilities; in another, on creating new jobs and industries; and in still another, on controlling erosion along roadsides. We selected and looked at 359 of the 2,836 completed measures at the 32 project areas we visited to get a good cross section of the wide range of types of measures being carried out. The table in appendix II provides summary data on the cost-shared and associated measures we selected and our general characterization of the kinds of benefits the different types of measures provided. The two largest measure categories involved erosion control and developing recreation, fish, and wildlife facilities.

The following examples illustrate some of the benefits obtained from project measures.

- A project provided technical and financial assistance for a measure that involved constructing two diversion terraces and establishing vegetation on eroding areas to control soil erosion in a city park. The measure reduced soil loss and sediment damage and improved the esthetics of the surrounding area. However, we could not determine from available information how much soil was saved or how much sediment was reduced.
- A project measure provided technical and financial assistance for constructing a dam with a roadbed to replace a wooden bridge. The dam reduced the threat of high flood water levels which allowed the county to save a substantial amount of money by eliminating the need to construct the bridge and other bridges where culverts could be installed instead. Culverts were considered capable of handling the nonflood flow of water. The measure also resulted in reducing flood damage to several thousand acres of farmland; creating a 54-acre lake for livestock, fire protection, and irrigation; and providing a reasonably good fishing area. We visited the lake but could not determine, either from our observations or from available program data, any measure of the extent or value of the benefits.
- A project measure involved enlisting the aid of two military engineering groups to clear away about 180 acres of burned forest area. The clearing made a way for a tree planting machine to enter and start reforestation. The military personnel also constructed ponds for wildlife habitat and roads and snowmobile bridges for new access. Besides benefits to the area, the engineering groups received training in an actual work situation. We confirmed that the work was done, but we could not

determine from available information a measure of the resulting benefits.

- A project measure resulted in the development of a refuge for the giant Canada goose. A 600-acre site was placed under restrictions to protect the geese, and a goose-rearing pond was constructed and fenced. However, records were not available to show whether the goose population had increased.

These measure descriptions tend to paint a favorable picture of the RC&D program's value despite the lack of complete data on the impact of project measures.

Certain intangible benefits
elude meaningful measurement

Often, discussions of measure, project, or program accomplishments tend to focus on the benefits to a community and its residents from the improvement or change brought about in a deficient physical condition. However, other kinds of important benefits are sometimes overlooked because of their intangible nature. From our discussions with SCS officials and RC&D coordinators and review of minutes of meetings and other records, we believe that at some projects the program had:

- Fostered a spirit of cooperation among local, State, and Federal levels. Representatives from each level of government had attended meetings and participated in various measures.
- Served as a vehicle to get local groups and units of government together to discuss concerns, share ideas, and work toward common goals.
- Demonstrated that people are willing to volunteer their own time and resources to improve their communities.
- Helped develop local leadership, pride, and talent.

These kinds of attitudes exemplify special kinds of benefits which, although elusive and intangible, seemed very real--based on the enthusiasm expressed by those involved in many of the RC&D projects we visited. Also, under the program's broad objectives, some projects' measures were directed toward making their communities better places in which to live--an achievement that would be difficult to measure. To illustrate, one RC&D project developed an education program to help foster the acceptance of the many people who had made their homes in the community after fleeing from Southeast Asia.

Each of the above situations shows the special way the RC&D program is viewed in some areas. They also point out another of the difficulties in attempting to develop a realistic way to assess the program's value. Nevertheless, these accomplishments

merit recognition, along with the more tangible ones discussed earlier.

Questionable attribution of measure
benefits to the RC&D program

We could not determine from our review of RC&D project records and reports the extent to which projects were responsible for accomplishing many of the completed associated measures and thus the basis for claiming credit for these measures. In other cases RC&D project records showed that project participation was quite limited. This raises questions concerning

- whether the nature and extent of the role played by the RC&D project was a big factor in bringing about the measure,
- whether and how much benefits can rightly be attributed to the RC&D program, and
- how useful available program information is for management purposes.

Of the 359 measures we looked at, 226 were associated measures for which the preceding questions would be particularly pertinent. (The other 133 measures were cost-shared.) From our review of project records and interviews with coordinators and other knowledgeable people, RC&D project involvement seemed substantial in 63 measures, was very limited or minimal in 89 measures, and was nonexistent or not indicated in 74 measures. Consequently, program reports would tend to overstate actual accomplishments and present a more favorable picture than they should. The following examples illustrate this.

- A county in a RC&D project area had its ambulance service discontinued and requested RC&D assistance in restoring it. The RC&D project reported that the measure was completed with a State and local government cost of about \$33,000. According to the completion report, the project identified the problem and supported and advocated the action taken. From other information and records, however, we found that the county had proceeded on its own and had obtained other ambulance services. The hospital administrator commented that RC&D involvement never went beyond adopting the measure proposal as a worthwhile effort.
- A sponsor requested \$50,000 in RC&D financial assistance to complete a marina for which the Economic Development Administration had furnished \$2.5 million. An RC&D project report showed this as a completed measure and listed such benefits as reducing soil erosion and maintenance costs, increasing dock facilities, adding boat-launching facilities, doubling the port size, and providing 80 staff-years of additional employment. However, the

project records showed only that RC&D staff had reviewed the plan, considered the request, and rejected it. This was basically the extent of RC&D involvement.

- A measure involving a water availability study claimed benefits of 30 staff-years of increased employment. However, the study only identified the quality and quantity of ground water, potential pollution, and future water concerns. Employment in the area was expected to increase from future industrial development.
- A sponsor wanted an RC&D project to support the purchase of some riverfront land to ensure future public use. However, the sponsor dropped the idea and withdrew the measure proposal when many local residents opposed the purchase. Subsequently, the State purchased the land for \$100,000, and the RC&D project reported the State's purchase as a completed associate measure. A project official justified this on the basis that the project stimulated interest in the land purchase.
- An RC&D project submitted a report on four large reservoirs completed some years ago. The information showed that the measure cost over \$100 million, generated 252 staff-years of employment during construction, and created 20 staff-years of employment for annual maintenance. The report also indicated that the RC&D project identified the problem and supported the action. In this case the reservoirs were Army Corps of Engineers' public works projects, and the RC&D role was limited to attending meetings and furnishing opinions as to the size and location of the reservoirs. These opinions were not based on any indepth studies.
- A project reported that it was instrumental in securing a rest home for the elderly. Private investors provided \$750,000 for constructing the home. The project showed it identified the problem and supported the action taken. The project reported that 25 staff-years of employment annually were created by the measure. We were told by the RC&D coordinator, however, that the technical assistance RC&D provided was limited to providing a soil survey report that SCS had previously prepared. The RC&D coordinator attributed the measure's success to the vigorous support of the city and county in which the rest home is located for obtaining private investors for the home. It seems likely that under these conditions the home would have been built without any RC&D involvement.

In view of the multitude of Federal, State, and local programs and projects that are being carried out nationwide, it is likely that many of the measures undertaken in RC&D project areas would have been accomplished regardless of the RC&D program. We believe that the preceding examples illustrate that such likelihood could be quite common. It seems improper for RC&D projects

to take credit for measures in which they had little or no involvement. Because of these kinds of situations, the measure completion reports used for the RC&D program could be misleading when they are used to reflect measure accomplishments in terms of such things as the amount of employment and other benefits RC&D brought into an area.

Another problem exists in relating RC&D efforts to measure benefits. In the case of associated measures, RC&D project costs generally consist of technical assistance costs and represent only a small fraction of the measures' total costs. We question whether, in any program assessment, it would be proper to relate the RC&D program costs to an associated measure's total real benefits and thus show a highly disproportionate balance of favorable results for the RC&D program. This is illustrated in an example of an RC&D project's associated measure costing about \$1.4 million and involving extension of a water district's system capacity to serve about 250 additional families and to increase agricultural development in the area. The RC&D project's involvement consisted of helping the district get a Farmers Home Administration loan and grant. Although the cost of the RC&D effort was not shown in project records, it obviously was far less than the total cost. We believe it would be clearly inappropriate to compare the RC&D cost with the total real benefits resulting from the measure.

A related consideration is that associated measures' financing sources, such as the Corps' Small Projects Program and SCS' Small Watershed Program, are probably and rightfully taking credit for the real benefits their measures provide.

It would be inappropriate, in our opinion, for the RC&D program to take credit for the same total real benefits other programs in USDA and in other departments and agencies are achieving in project areas and taking credit for. This is especially questionable in light of the often limited effort and involvement of an RC&D project in getting associated measures accomplished.

Another related consideration is that RC&D project coordinators are required by SCS to routinely report in the measure completion reports the amount of funds provided by non-RC&D sources--Federal, State, and private--to carry out measures. These amounts are estimates based on the coordinator's knowledge of the activities in the communities. Instead of focusing on the real benefits that associated measures provide in a project area, SCS appears to consider the costs of non-RC&D measures (money brought into the area) as benefits of the RC&D program.

Considering measure costs to be measure benefits seems inappropriate from a basic benefit/cost standpoint. It also seems inappropriate from an RC&D program standpoint unless it is clear that one of the program's specific objectives is to bring other Federal and non-Federal funds into the project areas.

In testifying before the Senate Subcommittee on Environment, Soil Conservation, and Forestry on the proposed Resource Conservation and Development Act of 1979 (S. 1942, 96th Congress), SCS' Chief said that:

"Between 1964 and May 1980, over \$2 billion have been spent on RC&D measures of all kinds. Only 3 percent, or about \$64 million has been Federal money appropriated for the RC&D program. Just under \$1 billion has come from other on-going Federal programs. Almost \$1 billion has come from nonfederal sources."

This indicated that a small amount of RC&D assistance was responsible for a large amount of "benefits" and is, we believe, misleading. The costs of carrying out measures may have little to do with the actual benefits a measure provides to an area. However, even considering costs to be benefits, such reported program accomplishments would be misleading where RC&D involvement was minimal or nonexistent.

Instead of focusing on the amount of money spent, the program might better focus on the good that results to communities and residents from the expenditures, such as reduced flood damages, increased recreation, better or increased service, more jobs, less subsequent maintenance or construction costs, fewer accidents, less erosion, more housing or health care, and so forth.

In applying such a concept, however, the following problems discussed earlier would need to be considered.

- Multiple credits being taken for the same benefit by different agencies.
- Difficulty in determining and judging the extent of actual RC&D project involvement.
- Lack of information showing the benefits actually achieved.

ACCURATE PROGRAM COSTS ARE NOT
AVAILABLE FOR PROJECT MEASURES

We were able to obtain cost information on the RC&D program overall and on each project (authorized RC&D area) but not on individual project measures. For measures cost-shared by an RC&D project, available data showed cost-share information but did not include the cost of the technical assistance provided. For associated measures (those financed by sources other than the RC&D program), the RC&D measure completion reports showed a measure cost figure but did not show the pertinent RC&D technical assistance cost. (As explained on p. 1, technical assistance includes a project coordinator's staff assistance for such things as administration, coordination, and planning; identifying sources of funds; and preparing fund applications. It also includes

professional/expert assistance provided by USDA organizations on such things as forestry and land treatment.)

Technical assistance costs are a significant part of total RC&D program costs

As of September 30, 1980, the RC&D program had received cumulative appropriations of about \$293 million. Of this amount, \$169 million (about 58 percent) had been used for technical assistance. The remaining \$124 million (42 percent) had been used for financial assistance--mostly cost-sharing of project measures. These percentages are fairly representative of the amount of assistance provided annually under the program.

Depending on the complexity of the individual measure, the technical assistance cost could range from a minimal to a substantial amount. On a major cost-shared measure, such as installing a flood prevention structure, technical assistance could come from several levels within SCS--national, State, area, and district offices; the RC&D project area office; and an SCS technical service center. In this situation, the cost of the technical assistance could be substantial, yet none of it would be reflected in the completion report. Technical assistance provided is charged to general cost accounting codes, such as land use planning and area planning. The specific RC&D measure worked on cannot be identified.

In the case of an associated measure, the RC&D program does not contribute any financial support and technical assistance may be the only RC&D cost related to the activity, yet this cost would not be reported.

Omitting technical assistance costs in reporting completed measures presents a serious limitation when trying to evaluate the program's benefits in relation to its costs. As a result, the RC&D completion reporting process understates the measures' costs, and as discussed earlier, the reliability of the information system as a whole is questionable. Without an accounting for all costs, the possibility of making objective assessments of program operations and worth is seriously impaired, and the results from any assessment would be of questionable value. Also, without good cost information for management control purposes, no one really knows where, or how effectively, technical assistance funds are being spent.

OTHER EFFORTS AT EVALUATING THE PROGRAM
POINT OUT THE NEED FOR BETTER DATA

Other studies have attempted to establish the RC&D program's value in relation to its cost, but their results have been inconclusive because of problems with the information that was available. The three studies we reviewed originated within USDA and were released in 1975, 1976, and 1978. Each pointed out difficulties in evaluating the program and required qualifications on the conclusions reached.

1975 USDA staff study

This study focused on three RC&D program impacts:

- Contributions to improved income and employment opportunities in RC&D project areas.
- Acceleration of the planning and application of resource utilization and conservation measures.
- Development of a local organization and the leadership capable of using available USDA programs and other sources of assistance to meet local needs.

The study recognized that each project is molded to fit its area and that numerous operational goals can exist.

The study's major critical findings were that the program did not have any statistically significant impact on total county employment or income levels and that no statistically significant difference existed between RC&D and non-RC&D counties in terms of land treated between 1965 and 1972. However, the study contained a number of caveats because of data problems, said that its conclusions were tentative, and recommended that additional studies be made to clarify the issues raised. Given these qualifications, use of the study results as a basis for making decisions on the program's future seems inappropriate.

1976 USDA Office of Audit program review

USDA's Office of Audit made a nationwide RC&D program audit to

- evaluate the adequacy and effectiveness of SCS efforts to implement program concepts and achieve RC&D objectives,
- determine project status by comparing accomplishments to objectives, and
- appraise the need for continuing RC&D project assistance.

The report on this audit concluded that it was not possible to determine the extent to which RC&D program objectives could be achieved either in terms of nationwide or local impact. It said that project objectives were too broadly defined for measuring progress and no uniform criteria existed for measuring accomplishments. In addition, it noted that accurate data on project activities and accomplishments was not available because the reporting system was not designed to provide necessary data correlating objectives and accomplishments. The report concluded that SCS needed to develop an effective system for evaluating and measuring each project's progress and accomplishments on a uniform basis to determine the extent to which project objectives have been achieved.

1978 USDA task force study

In April 1978 a USDA task force was established to review the RC&D program and to identify ways in which it could be redirected to effectively carry out USDA's rural development objectives. Task force members came from various agencies within USDA. The members visited and reviewed RC&D areas and held meetings to obtain public views on the program.

Essentially the task force found that RC&D program objectives were adequate to help local sponsors focus on natural resources but were too broad to permit measuring the program's effectiveness. The task force recognized the difficulty of making such economic measurements of RC&D benefits as increasing per capita income, total employment, and median income. It said that this should not be taken to mean that there were no economic benefits, but only that it is difficult to measure them except in terms of effects from individual measures. The task force pointed out that the RC&D program had achieved a number of intangible benefits such as developing local leaders, providing a focus for voluntary efforts, encouraging public participation, and better coordination of local groups and units of government.

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Our review--as well as these three studies--illustrates the program assessment difficulties resulting from the broad program objectives and the inadequate information on costs and benefits.

CONCLUSIONS

Benefits realized from the Federal investment in the RC&D program are difficult to pin down. Although some benefits undoubtedly have been realized, adequate data on benefits and costs was not available to enable us to make traditional cost/benefit analyses of the program's worth. Also, serious questions exist about whether the projects and, in turn, the RC&D program merited any credit for some of the benefits claimed.

In our opinion, a judgment about the program's overall value and the worth of project benefits (relative to the investments made) might well depend on some rather general and descriptive considerations. The information provided in this report should help. If the Congress decides to continue part or all of the RC&D program after considering the information in this report, USDA will need to improve its information system to provide data which would permit better program management and assessments of project activities and results and the program's overall worth. Part of such improvements should deal with ways to properly judge the significance of a project's role and involvement in initiating and promoting measures funded by sources other than the RC&D program and to realistically relate this to a measure's total real benefit.

RECOMMENDATIONS TO THE SECRETARY
OF AGRICULTURE

On the basis that the RC&D program is continued, we recommend that the Secretary require SCS to:

- Account for and identify the costs of providing technical assistance for each project measure.
- Improve its program information system to provide data which would permit better assessment of project benefits. The system should specifically provide for (1) identifying changes that have resulted from completed measures and how such changes have contributed to the well-being of the project area, (2) recognizing intangible benefits, and (3) documenting and assessing the extent of project involvement in the completion of project measures and realistically relating such involvement to a measure's real benefit.

AGENCY COMMENTS AND OUR EVALUATION

USDA agreed with our recommendations and said that SCS is designing a study to more effectively evaluate program costs and benefits. This study is to involve an indepth evaluation of the methods of reporting data, needs for data, and recommendations for efficient management of the program. USDA also agreed that the attribution of benefits claimed by RC&D councils is overstated or questionable for associated measures, and it plans to overcome this weakness by revising the procedures for reporting associated measure accomplishments.

The actions planned by USDA should result in improvements in program management and control.

CHAPTER 4

PROGRAM CHANGES SHOULD BE CONSIDERED

If the Congress decides that the RC&D program is to be continued, the following changes should be considered.

- Discontinue the use of program funds for financing the installation of project measures. Funds appropriated for the RC&D program have been used to finance the same kinds of measures for which other Federal programs have been established.
- Provide for systematic deauthorization of project areas. Currently, once RC&D projects are authorized, they remain on the rolls indefinitely even though they are not active. Also, after some years, local leadership of projects may become sufficiently knowledgeable and proficient to the point where they could effectively operate without the continuous involvement of a Federal coordinator.
- Test the viability of transferring coordinating functions to sub-State planning organizations. Sub-State organizations perform many of the same kinds of functions as RC&D projects and, consequently, can offer an alternative to an RC&D project.

USE OF PROGRAM FUNDS FOR FINANCING THE INSTALLATION OF PROJECT MEASURES SHOULD BE DISCONTINUED

Funds appropriated for the RC&D program have been used to finance, on a cost-sharing basis, the same kinds of measures for which other Federal programs have been established. The availability of RC&D cost-sharing funds can be, and sometimes has been, a disincentive for RC&D projects to seek other available financial assistance. As a result, the RC&D program has become, in effect, an alternate source of financing that can be used for a variety of purposes.

In fiscal year 1980 RC&D program funds were fairly evenly divided between financial cost-sharing assistance and technical assistance--about \$15 million each. For fiscal year 1981 financial assistance may run about \$18 million. At the 32 projects we visited, 128 of the 133 cost-shared measures we looked at involved erosion and sediment control; flood prevention; water-based recreation, fish, and wildlife developments; farm irrigation; and land drainage. As shown in appendix II, these kinds of activities were carried out at the projects we visited on both a cost-shared and an associated-measure basis.

In connection with the 1980 Senate appropriations hearings, USDA officials submitted information showing the following alternate sources of financial assistance to communities for the kinds of measures the RC&D program funds.

- Flood prevention: The Agricultural Stabilization and Conservation Service's Agricultural Conservation Program (special projects), SCS' Small Watershed Program, the Corps' Small Projects Program, and the Department of Housing and Urban Development's Block Grant Program.
- Irrigation: The Bureau of Reclamation's Small Projects Program, SCS' Small Watershed Program, the Agricultural Stabilization and Conservation Service's Agricultural Conservation Program (special projects), and Economic Development Administration grants.
- Land drainage: The Bureau of Reclamation's Small Projects Program and the Agricultural Stabilization and Conservation Service's Agricultural Conservation Program (special projects).

As indicated in appendix II, sources other than the RC&D program have provided funds for soil erosion and sediment control; flood prevention; water-based recreation, fish, and wildlife developments; farm irrigation measures; and other purposes. These sources include State and local governments, nongovernment organizations, and other Federal programs. Other Federal programs include Environmental Protection Agency grants, Bureau of Reclamation loans, Agricultural Conservation Program cost-sharing, and Department of the Interior outdoor recreation grants.

Following are some examples of RC&D program cost-shared measures that illustrate our concerns.

- One RC&D project we visited had provided about \$4 million to help develop a \$10 million recreational boating marina. We found no evidence that the RC&D project had attempted to find alternatives to using cost-share funds. (We noted that at another RC&D project, a marina development measure was financed by the Economic Development Administration and was reported as an associated RC&D measure.) Expenditures for the marina accounted for substantially all of the RC&D money provided the State during fiscal years 1979 and 1980. The question arises whether such a large expenditure of RC&D money should have been directed toward providing moorage spaces for recreational boaters who generally constitute a rather small group of recreation enthusiasts.
- An RC&D project authorized about \$107,000 for an erosion control measure on several private properties. The RC&D coordinator told us that the type of work done under this measure would have qualified for Agricultural Conservation Program funds, if available.
- Another RC&D project provided about \$340,000 for a flood prevention measure. The flood damage was occurring on a county landfill, a cemetery, and a privately owned field. Supporters of the measure canceled their application for

funds from SCS' Small Watershed Program because of their understanding that the measure could be completed faster with RC&D funding.

--An RC&D project provided about \$29,000 for an erosion control measure that provided treatment of about 700 acres. The designated areas were to be shaped and smoothed in preparation for planting grasses and/or legumes. The RC&D coordinator said that the measure could have been accomplished with Agricultural Conservation Program funds but that such funds were not available at the time.

In our view, the use of RC&D program funds for financing the installation of project measures seems unwarranted when other Federal programs exist to provide financial assistance for similar purposes. Furthermore, in those instances where only limited funds are available in other Federal programs, the RC&D measures should compete with other similar measures or activities for the funds available in those programs to assure that only high priority or the most useful measures are funded.

PROVISIONS SHOULD BE MADE FOR SYSTEMATIC DEAUTHORIZATION OF PROJECTS

Currently, once RC&D projects are authorized, they remain on the rolls indefinitely. Essentially, some projects exist in name only and may not even maintain a staff office. Of the 32 projects we selected for review, 6 seemed to have virtually ceased operations. They no longer had full-time coordinators, were no longer holding frequent meetings, or were not proposing and adopting new measures. USDA officials did not have information at the time of our review showing how many of the 194 projects nationwide were no longer active. We believe that each RC&D project should be reviewed periodically to assess the extent of local program support and activity and the project's ability to make it on its own.

Where the lack of local interest does not justify continued Federal support, projects should be deauthorized--permitting program resources to be shifted to other areas having stronger interest in carrying out program activities. Such shifting of resources could help provide full-time coordinators for some of the 87 projects that currently do not have one. A system of periodic reviews might also encourage local citizens and governing bodies to become more actively involved in project operations.

Periodic reviews might also show another reason for terminating Federal involvement in project operations. We stated earlier (see pp. 10 and 11) that the intangible benefits of the RC&D program include such elements as developing local leadership and bringing about a spirit of cooperation and self-help. If such benefits actually materialized in a project area, these qualities should endure. We believe, therefore, that consideration should be given to providing each project some period of

time--say 5 years or so--for developing the local leadership capability to continue operations without Federal involvement. In effect, RC&D would aim toward promoting and developing local leadership and cooperation to the point where local needs could be attended to without a continuous Federal presence.

POTENTIAL FOR SUB-STATE PLANNING
ORGANIZATIONS TO ASSUME ROLE OF
RC&D PROJECTS SHOULD BE STUDIED FURTHER

Sub-State planning organizations have the potential to become an alternative delivery system for RC&D activities, but their current capabilities and attitudes to do this vary. We believe that the potential should be explored further through pilot projects.

Sub-State agencies were formed by the States partially as a result of Federal initiatives to improve local planning and delivery systems. They receive Federal grants from such sources as the Departments of Housing and Urban Development, Labor, Justice, Transportation, Commerce, and the Interior; the Environmental Protection Agency; and the Water Resources Council. They are known by various names (such as councils of government, regional planning commissions or boards, and regional development councils), and their principal function is areawide planning. Other functions include

- promoting intergovernmental cooperation;
- strengthening local government;
- identifying, communicating, and ranking areawide problems;
- preventing duplication of government programs; and
- providing technical assistance such as preparing grant applications for local governments.

As shown in appendix II, RC&D projects we reviewed were involved in similar endeavors. Sub-State planning agencies also prepare annual work programs for developing comprehensive planning activities. Such comprehensive plans include elements such as housing, economic development, land use and natural resources, transportation, water resources, and human services. The plans prepared by RC&D projects also address these elements. In effect, sub-State planning organizations carry out many of the same kinds of functions as the RC&D program; however, some constraints that would need to be addressed before sub-State organizations could assume the functions of RC&D projects are as follows.

- Some RC&D project areas currently do not have active sub-State organizations.
- Some sub-State agencies expressed reluctance to take on RC&D activities without additional resources.

--Geographic jurisdictions of RC&D projects and sub-State agencies are not always coterminous.

--Some sub-State organizations appear to lack natural resource expertise.

Most sub-State organizations and RC&D projects have developed cooperative working relationships, often working under memorandums of agreement and sharing information with each other. In two cases we noted that the RC&D project coordinator was part of the larger sub-State planning group. Officials of both planning groups told us that their cooperative arrangements were working quite well. Generally, these memorandums of agreement provide that the RC&D projects are to focus on natural resource and conservation issues, whereas sub-State organizations are to focus on human service and economic development issues. It appeared to us that the cooperative working arrangements were a result of attempts of the sub-State organizations and RC&D projects to protect their dominant areas of interest and expertise and at the same time minimize duplicating each other's efforts.

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SCS officials generally agreed with our observations and pointed out that they had prepared a redesign plan for the RC&D program in July 1980, which was similar to our proposals. SCS' plan was part of the previous administration's "Small Community and Rural Development Policy" issued in December 1979; however, it was never implemented.

SCS' redesign plan provided for increased capacity building through establishment of a mechanism and criteria for determining and targeting technical assistance, a continuing evaluation process to review overall progress and program accomplishment on a 5-year cycle, a program that would operate in the rural sub-State planning districts throughout the United States, and financial assistance only for certain resource utilization and conservation measures.

CONCLUSIONS

In our view, the use of RC&D program funds for financing the installation of project measures seems unwarranted when other Federal programs exist to provide financial assistance for similar purposes. Also, periodic reviews of project performance and the deauthorization of projects where appropriate could result in a more effective application of Federal program resources. Finally, sub-State organizations have the potential to become an alternative delivery system for RC&D-type activities, and we believe this concept should be tested through the establishment of several pilot projects.

RECOMMENDATIONS TO THE CONGRESS

If the Congress decides to continue the RC&D program, we recommend that it legislatively:

- Discontinue the use of program funds for installing project measures currently authorized for financing under cost-sharing arrangements.
- Require the Secretary of Agriculture to establish procedures for periodically reviewing project operations and deauthorizing projects which are no longer active or have developed the capabilities necessary to continue operating without Federal involvement.
- Direct the Secretary of Agriculture to establish several pilot projects where sub-State organizations would assume the functions of RC&D projects. Upon completion of such tests, the Secretary should be required to provide the Congress an evaluation of the test results with such recommendations as may be indicated for transferring additional RC&D project functions to sub-State organizations or the reasons for retaining the functions within the existing RC&D program structure.

Suggested legislative language appears in appendixes III and IV.

AGENCY COMMENTS AND OUR EVALUATION

USDA said that financial assistance is based on a determination that comparable assistance for proposed work is not reasonably available under some other Federal program, and its Agricultural Conservation Program, for example, would not be available to most RC&D sponsors. Based on our review and as illustrated by the examples in this report, RC&D projects did not always seek assistance from other sources or sometimes used RC&D financial assistance as an "easy way out" to avoid the requirements or priorities of other Federal funding sources. We agree that some RC&D sponsors may not be eligible for Agricultural Conservation Program participation; however, there are other Federal programs, some of which are mentioned in the report, which could be alternate funding sources. Appendix II shows that the various kinds of activities being carried out at the projects we visited were being funded on both a cost-shared and an associated-measure basis.

Moreover, in the 1980 Senate appropriations hearings, the then Assistant Secretary of Agriculture for Conservation, Research, and Education stated "we also feel confident that there are alternative sources of funding for the kinds of assistance that R.C.&D.'s provide." He also stated that the USDA's recommended phasing out of the RC&D program was partly based on the presence of alternative ways to fund RC&D measures and provided

for the record a list of alternative funding sources which are included in our report. (See p. 20.)

USDA also said that our proposed elimination of cost-sharing appears to be based on a relatively small number of cases. Although we cited only a few examples of measures in our report, our work included a review of 359 measures selected to assure a good cross section of project activities--both large and small--from the various measure categories. Although we did not determine the availability of other funding sources for all of the 133 cost-shared measures at the projects we visited, available information indicated that alternate funding sources were available and not adequately explored.

USDA agreed that project areas that are not active should be deauthorized. It also agreed that sub-State planning organizations have potential to assume an important role in the RC&D program. However, USDA said that since RC&D councils serve a function separate from, and useful to, sub-State planning organizations, it is unlikely that there would be many instances where functions of RC&D councils could be merged into sub-State planning organizations. We recognize that there may be instances where sub-State planning organizations may not be an acceptable alternative; however, as pointed out in the report, some sub-State planning organizations carry out many of the same functions as the RC&D program. We continue to believe that this potential should be explored further through pilot projects.

CHAPTER 5

NEED TO UPDATE PLANS AND IMPROVE

PROJECT MANAGEMENT EVALUATION PROCESS

Some projects' area plans have not been updated as required by RC&D program procedures. This seems an essential and necessary requirement if the area plans are to be useful tools for project decisionmakers. In addition, the project management process lacks a key element in its design by not having a system for evaluating project performance in meeting program goals and objectives.

Development of an acceptable area plan is a precondition for project approval and SCS' authorizing assistance for cost-share measures. The plans establish goals and objectives and list the measures to be undertaken to meet identified needs in the project areas. Each RC&D project we visited had an area plan approved by the Secretary of Agriculture. The plans were similar in content. Each discussed the respective area's resources, supported by various tables, maps, and statistical data; set forth goals and objectives; and identified the area's needs through a listing of proposed measures. We observed that the goals and objectives in the plans were usually broad and general and would permit almost any measure proposed to be counted toward helping accomplish the plan's objectives and furthering its goals.

SOME PLANS ARE NOT UP TO DATE

According to RC&D planning guidelines, the area plan should contain the recorded decisions of the project council and should be kept up to date through a continuing planning process. The guidelines require that the plan be revised whenever significant changes occur in boundaries, policies, goals or objectives, or other conditions which might affect the plan's usefulness as a guide for project sponsors and assisting agencies. As a minimum, the plan should be supplemented annually by adding recently adopted measures and other required changes.

However, some projects have not revised their plans to reflect changing conditions. For example, SCS records show that the area boundaries of 12 of the 32 projects we visited had changed. Although this requires preparing a revised area plan, the records showed that six of the projects did not do so. In addition, 16 of the 32 projects had not supplemented or updated their plans annually. In 4 of the 16 cases, the projects had never supplemented the plans, some of which dated back to 1973.

In those projects where the project plans were not updated, project officials told us that they had prepared measure plans. However, they did not view the updating of project plans as being necessary for their day-to-day operations.

If area plans are to be useful to project decisionmakers, they should incorporate changing conditions and priorities through appropriate revisions and supplements. USDA needs to monitor the projects more closely to assure that they comply with such requirements.

EVALUATION PROCEDURES ARE NOT INCLUDED IN PROJECT MANAGEMENT PROCESS

Keeping informed of project activities is necessary to assure efficient and effective use of USDA program resources. To do this, SCS

- conducts regularly scheduled staff meetings,
- conducts functional inspections of projects, and
- requires reports on completed measures and annual summaries of project highlights.

These techniques, individually and collectively, can aid in keeping the various levels of project management informed on what projects are doing. However, the project management process does not include a procedure for evaluating project performance in terms of planned goals and objectives.

We believe this aspect of project management has not been given enough attention. In our opinion, SCS should require that projects develop an evaluation framework to use in monitoring and measuring results of their activities. Such a framework, together with improvements in the management reporting system as discussed in chapter 3, would aid program oversight and facilitate overall program evaluation.

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SCS officials agreed with our observations and stated that SCS needs to improve its monitoring of project area plans and its procedures for evaluating project performance.

CONCLUSIONS

Project planning and management need more attention to improve their effectiveness and usefulness. SCS needs to make sure that project plans are kept up to date so that they will be relevant to project and program decisionmakers. It also needs to provide an effective means for it and the projects to measure the results of their activities in relation to project plans and program goals.

RECOMMENDATIONS TO THE SECRETARY
OF AGRICULTURE

We recommend that the Secretary require SCS to

- monitor the program more closely to assure that projects' area plans are up to date and reflect any change' conditions in project circumstances and
- develop and incorporate an approved evaluation procedure into the program's management process.

RC&D PROJECTS VISITED AND CUMULATIVE FUNDSTHEY HAD RECEIVED AS OF SEPTEMBER 1980

<u>Project area (State)</u>	<u>Year project authorized</u>	<u>Amount received</u>
		(000 omitted)
Sangre de Cristo (Colo.)	1968	\$2,259
First State (Del.)	1971	1,333
Chariton Valley (Iowa)	1969	2,582
Southern Iowa (Iowa)	1970	2,521
Upper Explorer Land (Iowa)	1971	446
See-Kan (Kans.)	1978	2,504
Southern Maryland (Md.)	1971	1,616
WesMin (Minn.)	1964	5,104
Onanegozie (Minn.)	1967	2,147
Headwaters (Minn.)	1973	779
Hiawatha Valley (Minn.)	1975	711
Northeast (Miss.)	1967	4,605
Southeast (Miss.)	1971	1,868
Top of the Ozarks (Mo.)	1965	1,954
Bitter Root Valley (Mont.)	1965	2,605
Headwaters (Mont.)	1972	785
El Llano Estacado (N. Mex.)	1975	982
South Central New York (N.Y.)	1966	3,132
Sullivan Trail (N.Y.)	1972	784
Black River - St. Lawrence (N.Y.)	1973	439
Greater Adirondack (N.Y.)	1975	471
Lewis & Clark 1805 (N. Dak.)	1970	2,607
Upper Willamette (Oreg.)	1964	9,684
Columbia - Blue Mountain (Oreg.)	1970	929
North Coast (Oreg.)	1972	320
De-Go-La (Tex.)	1971	1,765
Northeast Texas (Tex.)	1973	2,024
Eastern Shore (Va.)	1973	393
Columbia-Pacific (Wash.)	1971	3,094
Yakima - Kittitas (Wash.)	1973	937
Lumberjack (Wis.)	1968	1,492
Golden Sands (Wis.)	1972	693
Total		<u>\$63,565</u>

MEASURES GAO REVIEWED AT THE 32 PROJECTS

<u>Type of measure</u>	<u>Number of cost-shared measures</u>	<u>Number of associated measures</u>	<u>Total</u>	<u>GAO characterization of measure accomplishments</u>
Erosion control	60	12	72	Erosion control measures provided benefits such as reduced sedimentation in lakes and streams, reduced damages to roads and structures, and increased use of the treated areas for agricultural and recreational purposes.
Flood prevention	27	4	31	Flood prevention measures provided benefits such as reduced damage to residential, commercial, and public property and made agricultural land more productive through reduced deposits of sediment and debris.
Farm irrigation	7	8	15	Farm irrigation measures provided benefits such as increased crop yields, thereby increasing income to farmers.
Land drainage	5	5	10	Land drainage measures provided benefits such as increased crop yields and increased recreational use.
Recreation or fish and wildlife developments	29	42	71	Recreation or fish and wildlife development measures provided benefits such as more water recreation opportunities and other outdoor activities from parks, wildlife habitats, boat harbors, and trails.
Water developments	1	8	9	The benefits from water developments included providing a reliable water supply to a multicounty area. Other measures provided water to area residents, but on a smaller scale.
Special studies and inventories	2	43	45	Special studies and inventories measures provided various reports and information intended for use by the rural areas. The studies and inventories included an outline of alternative ways to expand recreational facilities, an inventory of critically eroding areas, and a feasibility study on obtaining more water.
Highway related	0	6	6	Highway-related measures provided benefits such as improved transportation on resurfaced highways, more recreation opportunities from bike trails, and greater public knowledge and appreciation through historical markets.

MEASURES GAO REVIEWED AT THE 32 PROJECTS

<u>Type of measure</u>	<u>Number of cost-shared measures</u>	<u>Number of associated measures</u>	<u>Total</u>	<u>GAO characterization of measure accomplishments</u>
Cooperatives and associations	0	2	2	Cooperatives and associations measures assisted local people in obtaining higher prices for their products and securing additional grazing land for animals.
Industrial development	0	18	18	Industrial development measures resulted in benefits of increased employment from attracting industry and greater use of natural resources from establishing a processing plant to use local timber.
Public facilities or services	1	29	30	Public facilities or services measures provided benefits by developing leisure time activities at senior citizen centers, increasing educational opportunities at local libraries, providing work experience for the developmentally disabled, and improving community health and sanitation by construction of sewer systems and sanitary landfills.
Educational	0	21	21	Educational measures provided benefits such as training for veterans in agricultural matters, instructing local farmers in livestock production and waste management practices, educating the community on the Among refugees for better understanding and acceptance, and teaching farmers erosion control techniques.
Other	1	28	29	Other measures provided a variety of benefits to the rural communities, such as securing the services of a wildlife biologist, distributing specifications on how to build bluebird houses, obtaining residential housing units, and establishing a recreational rifle and pistol range.
Total	<u>133</u>	<u>226</u>	<u>359</u>	

GAO's SUGGESTED REVISIONS TO THE BANKHEAD-JONESFARM TENANT ACT, AS AMENDED

1. Section 32(e) of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011(e)), is amended by:
 - (a) Deleting that portion of subsection (e) that begins with the seventh sentence, "In providing assistance for carrying out * * *." and inserting in lieu thereof:

"The Secretary shall be authorized to provide technical assistance for carrying out plans developed under this title for the development of public water-based fish and wildlife or recreational improvements; for the storage of water for present or anticipated future demands or needs for rural community water supply included in any reservoir structure constructed or modified pursuant to such plans; and for installing measures and facilities for water quality management, for the control and abatement of agriculture-related pollution, for the disposal of solid wastes, and for the storage of water in reservoirs, farm ponds, or other impoundments, together with necessary water withdrawal appurtenances, for rural fire protection."
 - (b) By adding at the end thereof the following new paragraph:

"The Secretary shall establish procedures for periodically reviewing and evaluating projects carrying out plans developed under this title to determine if such projects are effectively meeting the needs and objectives identified in their plans: Provided, that the Secretary shall review and evaluate each such project at least once every 5 years. On the basis of such evaluation, the Secretary shall withdraw technical assistance and deauthorize any projects which are no longer active or which have not made sufficient progress toward developing or implementing the needs and objectives identified in plans developed under this title. The Secretary may also withdraw further technical assistance where such assistance is no longer needed to implement the plans developed under this title."
2. Title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010-1013a), is amended by adding the following new section 36:

"In recognition that there is overlap between the activities and functions of sub-State planning organizations and projects carrying out plans developed under

this title in serving the needs of rural communities, the Secretary shall initiate pilot projects to study the feasibility of assigning the technical assistance authorized under this title to existing sub-State planning organizations. The Secretary shall submit to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry a report containing the results of such study together with recommendations, if any, for using existing sub-State planning organizations to help develop and implement plans developed under this title. The Secretary shall submit such report and recommendations within not to exceed 3 years after such projects have been in operation."

GAO's SUGGESTED REVISIONS TO THE SOIL CONSERVATION AND

DOMESTIC ALLOTMENT ACT OF 1935, AS AMENDED

Section 1 of the Soil Conservation and Domestic Allotment Act of 1935 (16 U.S.C. 590a) is amended by deleting its entirety subparagraph 3 thereof and renumbering subparagraph 4 accordingly.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

JUN 19 1981

Mr. Henry Eschwege
Director
U.S. General Accounting Office
Washington, D.C. 20545

Dear Mr. Eschwege:

We appreciate the opportunity to review the draft of the proposed report "The Resource Conservation and Development Program -- Is It Needed Or Are Changes Needed?" We have some concerns with the report and offer the following comments regarding it:

General Comments

The review of the Resource Conservation and Development (RC&D) Program was conducted because there has been a continuing fundamental disagreement between the Executive Branch and Congress on the question of whether to reduce substantially or discontinue the Program. The Executive Branch first proposed significant program level reductions in the Administration's FY 1977 budget. The FY 1982 budget proposes to end the program. Congressional action through FY 1981 has been to add to the Executive Branch budget recommendations and to prohibit actions to discontinue the program.

We feel the General Accounting Office (GAO) report provides little new information on the basic question of whether or not the program is needed. Unless there is agreement on this basic question, details of program management became speculative in nature.

[GAO COMMENT: Our report provides additional insights that could help the Congress with this question. As pointed out in our report, the inability to come to a definitive conclusion is partly a result of inadequate management controls. Thus, we believe that details of program management are very pertinent if the program is to continue.]

The draft report indicates in paragraph 3, page 1, last sentence, that the RC&D coordinators function as technical advisors to the councils. The RC&D Handbook, in section 101.6(a)(2)(iii), sets forth the responsibilities of the coordinator. "The coordinator shall be the SCS representative to the council," but this individual does very little technical advising; rather, the person "is the source of information, a generator of ideas, a communicator, and a motivator." The individual assigned provides "leadership in helping the council organize for planning, plan and schedule activities, and follow up to keep activities on schedule."

[GAO COMMENT: Sentence revised to more specifically state the coordinators' responsibilities.]

The statement on page 5 relating to Public Law 92-419 should show that this Act also authorized Federal technical and financial assistance for the "control and abatement of agriculture-related pollution, and for the disposal of solid wastes."

[GAO COMMENT: Sentence revised.]

Recommendations to the Congress

Eliminate program cost-sharing -- The review proposes the elimination of financial assistance to local sponsors. The primary reason given for this recommendation is that "other Federal programs exist to provide financial assistance for similar purposes." Financial assistance is based on a determination that comparable assistance for the proposed work is not reasonably available under some other Federal program. For example, the report implies that adequate cost-sharing is available on many of the measures through the Agricultural Stabilization and Conservation Service's Agricultural Conservation Program (ACP). A basic requirement for assistance under ACP is that the recipient be an agricultural producer. Most RC&D measure sponsors would not be considered agricultural producers; therefore, most RC&D measures would not be eligible for financial assistance through ACP.

Proposed elimination of cost-sharing appears to be based on review of a relatively small number of cases. There are numerous examples where financial assistance through RC&D has assisted in the acceleration of activities that help conserve soil, water, and related natural resources. An example is treatment of critical eroding areas where the sediment deposited from these areas is adversely impacting upon production of food and fiber. RC&D financial assistance can be used to assist school boards, towns, and counties to stabilize eroding areas on public property where other sources of funding are not available.

Upstream flood damage is a major resource concern. Financial assistance through RC&D provides a means for assisting small rural areas and communities to address this concern where other programs

APPENDIX V

APPENDIX V

would not normally be applicable. For example, a rural community may be receiving damages to four or five homes from overflow of a small stream. The problem would be too small to address under normal flood prevention programs (Public Law 83-566 and the Corps of Engineers' small project program). RC&D provides the means for assisting the community to construct small impoundment structures, dikes, or diversions for protecting these properties and homes. Other funds from State and local sources are not normally available to implement measures to correct these problems.

Require the Secretary of Agriculture to establish procedures for periodically reviewing project operations and deauthorizing projects... -- We agree that project areas that are not active should be deauthorized.

Direct the Secretary of Agriculture to establish several pilot projects where sub-state organizations would assume the functions of RC&D projects... -- We recognize that sub-state planning organizations have potential to assume an important role in the RC&D Program. We also note that the study found that most sub-state organizations and RC&D councils have developed cooperative working relationships in an attempt to minimize duplication of effort and conflicting activities. The expertise of the RC&D councils in natural resources and conservation matters is recognized by sub-state planning organizations. Since RC&D councils serve a function separate from and useful to sub-state planning organizations, it is unlikely that there would be many instances where functions of RC&D councils could be merged into sub-state planning organizations.

Recommendations to the Secretary of Agriculture

Require SCS to account for and identify the costs of providing technical assistance for each project measure and improve the program information system ... -- We note that the study recognized the complexity of evaluating program benefits and costs, and the acknowledgement that "certain intangible benefits elude meaningful measurement." The Soil Conservation Service (SCS) Evaluation and Analysis Staff is designing a study to more effectively evaluate program costs and benefits. This study will involve an in-depth evaluation of the methods of reporting data, needs for data, and recommendations for efficient management of the program.

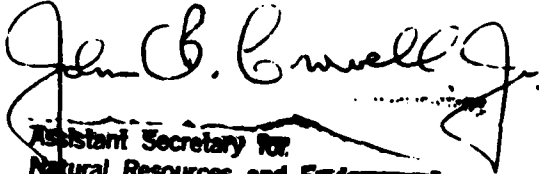
APPENDIX V

APPENDIX V

We also agree that the attribution of benefits claimed by RC&D councils is overstated or questionable for associated measures. We propose this weakness be overcome by revising the procedures for reporting associated measure accomplishments.

Thank you again for providing a copy of the draft report for our review.

Sincerely,


Assistant Secretary for
Natural Resources and Environment

